

2009 DRAFTING REQUEST**Assembly Amendment (AA-SB62)**Received: **02/18/2009**Received By: **jkreye**Wanted: **Today**

Identical to LRB:

For: **Donald Friske (608) 266-7694**By/Representing: **tim**This file may be shown to any legislator: **NO**Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**Requester's email: **Rep.Friske@legis.wisconsin.gov**Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Tax credit for lumber mill modernization

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 02/18/2009	kfollett 02/18/2009	mduchek 02/18/2009	_____	cduerst 02/18/2009	cduerst 02/18/2009	

FE Sent For:

<END>

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/1	jkreye	1/16/09 2/18/09	UD	MD RS 2/18			

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2009 - 2010 LEGISLATURE

LRBb0084/1

JK:jld:md

00085/1
3/5/09

ASSEMBLY AMENDMENT ,
TO 2009 SENATE BILL 62

now

Lumber
Lumber manufacturing facility (I)

1 At the locations indicated, amend the bill as follows:

2 1. Page 20, line 2: after that line insert:

3 "SECTION 16d. 20.835 (2) (ba) of the statutes is created to read:

4 20.835 (2) (ba) Silviculture investment credit. A sum sufficient to make the
5 payments under ss. 71.07 (3rm), 71.28 (3rm), and 71. 47 (3rm).".

6 2. Page 44, line 2: after "(3r)." insert "(3rm)".

(CS)
LUMBER MANUFACTURING FACILITY

7 3. Page 53, line 2: after that line insert:

8 "SECTION 100d. 71.07 (3rm) of the statutes is created to read:

9 71.07 (3rm) SILVICULTURE INVESTMENT CREDIT. (a) Definitions. In this
10 subsection:

11 1. "Claimant" means a person who files a claim under this subsection.

1 2. "Silviculture" means theory and practice of controlling regeneration,
2 composition, and growth of stands of forest vegetation using knowledge of the life
3 history, characteristics, and ecology of forest trees through:

4 a. Regeneration treatment.

5 b. Liberation cutting.

6 c. Thinning.

7 d. Crown thinning.

8 e. Improvement cutting.

9 f. Planting.

10 g. Site preparation.

11 h. Pruning.

12 3. "Silviculture modernization or expansion" means constructing, improving,
13 or acquiring buildings or facilities, or acquiring equipment, if the buildings
14 facilities, and equipment are used exclusively for silviculture and if acquired and
15 placed in service in this state during taxable years that begin after December 31,
16 2008, and before January 1, 2015.

17 4. "Used exclusively" means used to the exclusion of all other uses except for
18 use not exceeding 5 percent of total use.

19 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.
20 560.209, for taxable years beginning after December 31, 2008, and before January
21 1, 2015, a claimant may claim as a credit against the taxes imposed under s. 71.02
22 or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount
23 the claimant paid in the taxable year for silviculture modernization or expansion.

lumber manufacturing

use twice

for lumber manufacturing

lumber manufacturing

1 (c) *Limitations.* 1. No credit may be allowed under this subsection for any
2 amount that the claimant paid for expenses described under par. (b) that the
3 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

4 2. The aggregate amount of credits that a claimant may claim under this
5 subsection is \$200,000.

6 3. a. The maximum amount of the credits that may be claimed under this
7 subsection and ss. 71.28 (3rm) and 71.47 (3rm) in fiscal year 2009–10 is \$700,000,
8 as allocated under s. 560.209.

9 b. The maximum amount of the credits that may be claimed under this
10 subsection and ss. 71.28 (3rm) and 71.47 (3rm) in fiscal year 2010–11, and in each
11 fiscal year thereafter, is \$800,000, as allocated under s. 560.209.

12 4. Partnerships, limited liability companies, and tax-option corporations may
13 not claim the credit under this subsection, but the eligibility for, and the amount of,
14 the credit are based on their payment of expenses under par. (b), except that the
15 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
16 A partnership, limited liability company, or tax-option corporation shall compute
17 the amount of credit that each of its partners, members, or shareholders may claim
18 and shall provide that information to each of them. Partners, members of limited
19 liability companies, and shareholders of tax-option corporations may claim the
20 credit in proportion to their ownership interest.

21 5. If 2 or more persons own and operate the silviculture operation, each person
22 may claim a credit under par. (b) in proportion to his or her ownership interest, except
23 that the aggregate amount of the credits claimed by all persons who own and operate
24 the operation shall not exceed \$200,000.

lumber manufacturing

1 (d) *Administration*. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
2 credit under s. 71.28 (4), applies to the credit under this subsection.

3 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
4 due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due
5 shall be certified by the department of revenue to the department of administration
6 for payment by check, share draft, or other draft drawn from the appropriation
7 account under s. 20.835 (2) (ba).".

8 **4.** Page 54, line 21: after "(3r)." insert "(3rm)".

9 **5.** Page 56, line 20: after "(3r)." insert "silviculture investment credit under s.
10 71.07 (3rm)".

11 **6.** Page 57, line 2: after "(3r)." insert "(3rm)".

12 **7.** Page 81, line 8: after "(3r)." insert "(3rm)".

13 **8.** Page 89, line 7: after that line insert:

14 "**SECTION 147d.** 71.28 (3rm) of the statutes is created to read:

15 **71.28 (3rm)** SILVICULTURE INVESTMENT CREDIT. (a) *Definitions*. In this
16 subsection:

17 1. "Claimant" means a person who files a claim under this subsection.

18 2. "Silviculture" means theory and practice of controlling regeneration,
19 composition, and growth of stands of forest vegetation using knowledge of the life
20 history, characteristics, and ecology of forest trees through:

- 21 a. Regeneration treatment.
22 b. Liberation cutting.
23 c. Thinning.
24 d. Crown thinning.

lumber manufacturing facility

LUMBER MANUFACTURING FACILITY

9
e. Improvement cutting.

f. Planting.

g. Site preparation.

h. Pruning.

2
3. "Silviculture modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, if the buildings, facilities, and equipment are used exclusively for silviculture and if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2015.

4. "Used exclusively" means used to the exclusion of all other uses except for use not exceeding 5 percent of total use.

(b) *Filing claims.* Subject to the limitations provided in this subsection and s. 560.209, for taxable years beginning after December 31, 2008, and before January 1, 2015, a claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for silviculture modernization or expansion.

(c) *Limitations.* 1. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described under par. (b) that the claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

2. The aggregate amount of credits that a claimant may claim under this subsection is \$200,000.

3. a. The maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (3rm) and 71.47 (3rm) in fiscal year 2009–10 is \$700,000, as allocated under s. 560.209.

1 b. The maximum amount of the credits that may be claimed under this
2 subsection and ss. 71.07 (3rm) and 71.47 (3rm) in fiscal year 2010–11, and in each
3 fiscal year thereafter, is \$800,000, as allocated under s. 560.209.

4 4. Partnerships, limited liability companies, and tax-option corporations may
5 not claim the credit under this subsection, but the eligibility for, and the amount of,
6 the credit are based on their payment of expenses under par. (b), except that the
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.
8 A partnership, limited liability company, or tax-option corporation shall compute
9 the amount of credit that each of its partners, members, or shareholders may claim
10 and shall provide that information to each of them. Partners, members of limited
11 liability companies, and shareholders of tax-option corporations may claim the
12 credit in proportion to their ownership interest.

13 5. If 2 or more persons own and operate the ^g~~silviculture~~ ^{lumber manufacturing} operation, each person
14 may claim a credit under par. (b) in proportion to his or her ownership interest, except
15 that the aggregate amount of the credits claimed by all persons who own and operate
16 the operation shall not exceed \$200,000.

17 (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit
18 under sub. (4), applies to the credit under this subsection.

19 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
20 due under s. 71.23, the amount of the claim not used to offset the tax due shall be
21 certified by the department of revenue to the department of administration for
22 payment by check, share draft, or other draft drawn from the appropriation account
23 under s. 20.835 (2) (ba).".

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1 **9.** Page 95, line 4: after “(3r).” insert “silviculture investment credit under s.
2 71.28 (3rm).”.

3 **10.** Page 96, line 9: after “(3r).” insert “(3rm).”.

4 **11.** Page 99, line 3: after “(3r).” insert “(3rm).”.

5 **12.** Page 107, line 2: after that line insert:

LUMBER MANUFACTURING FACILITY (5)

6 “**SECTION 191d.** 71.47 (3rm) of the statutes is created to read:

7 71.47 **(3rm)** SILVICULTURE INVESTMENT CREDIT. (a) *Definitions.* In this
8 subsection:

9 1. “Claimant” means a person who files a claim under this subsection.

10 2. “Silviculture” means theory and practice of controlling regeneration,
11 composition, and growth of stands of forest vegetation using knowledge of the life
12 history, characteristics, and ecology of forest trees through:

13 a. Regeneration treatment.

14 b. Liberation cutting.

15 c. Thinning.

16 d. Crown thinning.

17 e. Improvement cutting.

18 f. Planting.

19 g. Site preparation.

20 h. Pruning.

Lumber manufacturing

for Lumber manufacturing

21 3. “Silviculture modernization or expansion” means constructing, improving,
22 or acquiring buildings or facilities, or acquiring equipment, if the buildings,
23 facilities, and equipment are used exclusively for silviculture and if acquired and

lumber manufacturing

lumber manufacturing

placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2015.

4. "Used exclusively" means used to the exclusion of all other uses except for use not exceeding 5 percent of total use.

(b) *Filing claims.* Subject to the limitations provided in this subsection and s. 560.209, for taxable years beginning after December 31, 2008, and before January 1, 2015, a claimant may claim as a credit against the taxes imposed under s. 71.43, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant paid in the taxable year for silviculture modernization or expansion.

(c) *Limitations.* 1. No credit may be allowed under this subsection for any amount that the claimant paid for expenses described under par. (b) that the claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

2. The aggregate amount of credits that a claimant may claim under this subsection is \$200,000.

3. a. The maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (3rm) and 71.28 (3rm) in fiscal year 2009–10 is \$700,000, as allocated under s. 560.209.

b. The maximum amount of the credits that may be claimed under this subsection and ss. 71.07 (3rm) and 71.28 (3rm) in fiscal year 2010–11, and in each fiscal year thereafter, is \$800,000, as allocated under s. 560.209.

4. Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of expenses under par. (b), except that the aggregate amount of credits that the entity may compute shall not exceed \$200,000.

A partnership, limited liability company, or tax-option corporation shall compute

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1 the amount of credit that each of its partners, members, or shareholders may claim
2 and shall provide that information to each of them. Partners, members of limited
3 liability companies, and shareholders of tax-option corporations may claim the
4 credit in proportion to their ownership interest.

5 5. If 2 or more persons own and operate the silviculture operation, each person
6 may claim a credit under par. (b) in proportion to his or her ownership interest, except
7 that the aggregate amount of the credits claimed by all persons who own and operate
8 the operation shall not exceed \$200,000.

9 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the
10 credit under s. 71.28 (4), applies to the credit under this subsection.

11 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise
12 due under s. 71.43, the amount of the claim not used to offset the tax due shall be
13 certified by the department of revenue to the department of administration for
14 payment by check, share draft, or other draft drawn from the appropriation account
15 under s. 20.835 (2) (ba).".

16 **13.** Page 111, line 17: after "(3r)." insert "silviculture investment credit under
17 s. 71.47 (3rm).".

18 **14.** Page 240, line 9: after "(3r)." insert "(3rm)".

19 **15.** Page 329, line 15: after that line insert:

20 "SECTION 800d. 560.209 of the statutes is created to read:

21 **560.209 Silviculture investment credit. (1)** The department of commerce
22 shall implement a program to certify taxpayers as eligible for the silviculture
23 investment credit under ss. 71.07 (3rm), 71.28 (3rm), and 71.47 (3rm).

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(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of silviculture investment credits allocated to taxpayers in fiscal year 2009–10 may not exceed \$700,000 and the total amount of silviculture investment credits allocated to taxpayers in fiscal year 2010–11, and in each fiscal year thereafter, may not exceed \$800,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.”.

(END)